



State of Connecticut

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HB- 5585 AN ACT CONCERNING HOUSING FOR YOUNG PROFESSIONALS ***February 3, 2015***

I come here in support of **HB 5185** which would establish a program to encourage young professionals to move to urban areas, with the goal of reducing housing costs.

Study after study shows that core cities throughout our nation continue to grow exponentially faster than their suburban counterparts. The growing demographic consists of a diverse array of socio-economic groups, such as young adults, college graduates, and empty nesters that are drawn to livable communities. The largest share of the exurban exodus belongs to the "millennials," who are moving in droves to places that are dense, diverse, and mixed use.

In addition, most business surveys indicate that employers are seeking talent attracted to communities that have a sense of place and purpose. Connecticut must capitalize on these opportunities by augmenting private investment through tax reforms and reducing red tape, rather than allowing the depreciation of these neighborhoods by doing nothing. There is an undersupply of the desired housing across the nation, but it's most vivid in our state; evident by the state of communities like Hartford, New Haven, Bridgeport – and the community I represent, New London.

Much must be done to revitalize our city centers, so we have to look at blueprints for successful housing development. One of the most important (and overlooked) factors is the reinvestment in historic housing stock. In cities such as Seattle, San Francisco, and Washington DC, the median age of residents in areas with a mix of small, old, and new builds is lower than in areas with larger and newer buildings. The homes are also situated in more diverse neighborhoods, and retrofitting these existing structures almost always provide greater housing affordability for homebuyers.

Jane Jacobs once said that, "cities need old buildings so badly it is probably for vigorous streets and districts to grow without them." A study by the National Trust for Historic Preservation,

called "Older, Smaller, and Better" investigated the mother of urban activism's assertions, finding that the millennial economy thrives in older, mixed use neighborhoods. These older buildings also tend to have a higher proportion of successful locally-owned small businesses and greater population growth – proving that as density rises, as does productivity, and the innovative "create class" thrives. Crafting a coherent, urban housing policy that is practical, lean, and sustainable will produce positive results. Refurbishing our historic homes must be a part of that plan.

In New London, a visionary team recently embarked on a transformational, neighborhood revitalization program known as "City Flats." Led by developer Tony Silvestri, The goal of this initiative is to transform a historic area of New London formerly called "Merchants Block," which originally consisted of two, three and sometimes four family homes, occupied by the owners of many downtown businesses. Since many of these historic homes fell into disrepair dating back decades, Mr. Silvestri's intention is to rehabilitate these homes, establish owner occupied condominiums, and resuscitate the neighborhood. The Day Newspaper, in an resounding endorsement of the project, said that, "There is much to like about this project. It provides a plan to improve the neighborhood without gentrifying it." None of this could have been possible without the state's Historic Homes Tax Credit.

Although the current HHTC enabled the restoration of a few homes, the program is geared towards individual homeowners and non-profit housing development corporations and restricts many developers from comprehensively reconditioning entire neighborhoods if those homes do not qualify as "historic" under the current program. This lack of flexibility can be frustrating for those developers; and because of constraints to economic activity, projects must begin and complete construction projects in a timely manner. Additionally, current regulations of the program are subjective, and can be interpreted differently by a historian and contractor.

In all, The HHTC program should be reserved for homes that are truly historic, perhaps homes that are more than 150 years old. I am proposing the creation of a new housing restoration, tax credit program for homes that are less than 150 years old, but more than 50 years old, e.g. These homes should fall within historic districts, enterprise zones, or other urban zones that the state has targeted for economic development. The new program could be modeled after the HHTC program in many ways, but cater to a niche market that is ripe growth. And while it's important to create tomorrow's housing stock, revitalizing existing housing stock in our neighborhoods with the greatest need is critical to creating not just additional "affordable housing," but housing that is truly affordable.

Our young professionals are clamoring for housing options in cities. Let's create new home ownership opportunities in existing neighborhoods for these folks, retiring boomers, and current residents. I hope that the Housing Committee takes my proposal as outlined on the appendix, and establish a new program to rehabilitate historic homes as part of a comprehensive effort to retain our homegrown talent and address the shortage of affordable housing by restoring our urban core.